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O N T A X A T I O N

* * *

Submitted by the

ASSOCIATION OF ONTARIO LAND ECONOMISTS

BRIEF TO THE ONTARIO COMMITTEE ON TAXATION

Submitted by the

ASSOCIATION OF ONTARIO LAND ECONOMISTS

- - -

Mister Chairman and Members of the Committee:

The Association of Ontario Land Economists wishes to thank the Committee for the kind invitation of September 30th, 1963, to submit a brief commenting on various aspects of taxation within the Province of Ontario.

This Association was incorporated in the Province of Ontario on March 20th, 1963, for the purpose of establishing a recognized profession of Land Economy within the Province. Further details relating to the functions and objects of the Association are attached hereto as Appendix "A". Those members of the Association who formed a Special Committee to prepare this attached brief are listed in Appendix "B".

Comment has been restricted to taxation and similar matters following within the scope of land economy since it is felt to be the sphere in which members of this Association are most competent to express any views. Owing to both our recent incorporation and the time available to submit the brief we have not had the opportunity to canvas the Association's membership in the breadth or depth which would have been possible under optimum conditions. We would mention that the Association's proposed education programme which has been approved in principle by the Council, calls for the study of "Public Finance Relating to the Land". It is intended that studies be made as to the impact on the use and value of land arising from the raising and spending (including underwriting) of public money by the various levels of government or their agencies.

Respectfully submitted,

J. E. Farr,
Secretary-Treasurer.

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C O N T E N T S

I - Assessment Act

II - Succession Duty Act

III - Municipal Imposts Upon Land Developers

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A P P E N D I C E S

"A" - Functions and Objects, etc. of the Association of Ontario Land Economists

"B" - Association Members who formed the Committee which prepared this Brief

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SECTION I

ASSESSMENT ACT

FAULTS WITH THE CURRENT ASSESSMENT METHODS, AND POSSIBLE SOLUTIONS

Generally speaking, uniformity should be the aim in assessment, and it is this essential, possibly more than any other, which is currently lacking in the present over all picture. Great variations are found in different municipalities - in many cases adjoining or adjacent - in the basis of valuation, standard of assessment, quality of records, etc. Some municipalities have assessment based on up to date values; some on the mid-1950's; many on 1950, and the majority vaguely on 1940 costs. The adoption of a manual published by the Department of Municipal Affairs as a guide should be mandatory and thereby ensure uniformity. Some municipalities at present, e.g. Metropolitan Toronto - have their own systems. Such a manual should be subject to final review, before its mandatory adoption, by a committee composed of officials of Department Municipal Affairs and persons nominated by current Presidents of various professional bodies whose members perform services relating to the value and assessment of real property.

The main faults may perhaps be listed under four headings:

(1) A lack of any adequate central control of the appointment of assessors, the organization of assessment departments and the performance of assessors.

(2) A lack of an adequate number of properly trained and professionally educated assessors.

(3) Various anomalies, paradoxes and weaknesses in the machinery controlling appeals and court.

(4) The lack of a proper valuation basis in assessment, and of any mandatory manual as a guide.

1. CENTRAL CONTROL

There is at present no form of central or other control over the appointment of, or administration of, assessors or assessment commissioners. Appointments to such position are the responsibility of the local municipality. Appointments to such posts may not always

be based upon the individual's capacity to perform the required function. Since no established standards are laid down, persons can be appointed who have no qualifications for the post, insofar as any formal training in assessment work is concerned.

Many of the duties of assessors are completely extraneous, and bear no relation to assessment - e.g., census taking and counting dogs.

We consider that the above problems could be solved, or at least improvements made, by the following methods:

(a) The formation of a Provincial Department of Assessment, with jurisdiction over the whole Province. All assessors would be appointed by, and only by, this Department. The Province would be divided into several Regions, each under a Regional Assessor, who would answer to the Provincial Assessor. A number of highly trained assistants could be allocated to the Provincial Assessor to deal with special properties, whose valuation may be beyond the competence of the assessment officer already assigned to a given municipality. The boundaries of the Regions need not necessarily coincide with the present County divisions. Individual assessment officers would then be appointed to deal with one or more municipalities to administer the local assessment roll. The advantage of this method would be that assessors whose full-time job is assessing will be likely to perform a better job and personnel with varying degrees of experience and competence could be used to the best possible advantage. Aided by a new mandatory manual as a guide on which all assessments would be based, assessment throughout the Province would become uniform and equalized, to the advantage of all. In addition, the assessors would not be in the position where he could be subject to local pressures.

(b) Taking away from assessors the responsibility for the various extraneous duties currently undertaken by them, and transferring them to the Clerk's Department.

2. EDUCATION

It is felt that too many assessors lack proper training and understanding of the purpose and theory of valuation for assessment purposes. It is suggested that mandatory education standards be prescribed and that all persons hoping to become assessors be required to obtain a minimum qualification for their grade before obtaining an appointment; higher qualifications would be necessary before higher positions were reached. Mandatory training, aided by Provincial control and the adoption of a mandatory manual to be used as a guide, should in our opinion, lead to an improved and equalized assessment formula for the Province.

Experience has shown that in many cases Assessors rely too heavily on the manual instead of meeting the terms of the Assessment Act (a manual should serve only as a guide). We suggest that with proper training and a better appreciation of the principles of valuation, this would cease, and Assessors would be willing and able to argue a case on valuation principles rather than as a formula.

We would suggest that an educational programme providing both a thorough training in assessment practice and a good grounding in the principles and practice of Land Economy, would fit the assessor to perform his function.

3. APPEALS

It is considered that there are many unfair paradoxes and inequalities in the Assessment Act which makes Appeal and Court procedure top heavy, in addition the assessed owner is frequently in a disadvantageous position when prosecuting an appeal.

The Court of Revision (to quote Manning on assessment) is in most cases "composed of untrained laymen, invariably paid by the municipal corporation and consequently biased in its favour". It appears to deal with only gross errors in assessment or with certain minor assessment details.

It has been found that where an appeal through the Courts has been successful, usually after time and expense has been spent on the part of the owner, the Assessor has a right to alter the assessment back to the pre-appeal figure on the next roll without any general re-assessment or change of circumstances taking place.

It is submitted that in order to improve these problems, the following amendments should be made:

(a) That the Court of Revision be re-constituted, and that assessment be taken out of the jurisdiction of the County Court. In the place of the Ontario Municipal Board a Lands Tribunal should be set up (which might also deal with other matters, such as expropriations) and which should include members experienced in assessment and appraisal.

(b) It is considered that in order to lessen the difficulty of obtaining - in some cases - information from assessors, after appeals have been lodged, assessors should be required to provide to the owner (or his representative) factual information on comparable properties as of right. If information on a large number of properties were requested a limit on the number could be set, after which a charge could be made for providing the information. Such a procedure should facilitate appeals, and lead to equitable assessment. The owner is also able to satisfy himself as to the proper level of his own assessment based upon a study of factual rather than assumed data.

(c) In order to eradicate the problem of the assessor placing the pre-appeal amount on the assessment roll, we suggest that assessment rolls should be made for a period of three, or even five years. The assessment values would then be set for this period, and before they could be changed, either party would have to demonstrate that circumstances had changed. This would apply whether the assessor wanted to alter the roll, or a taxpayer appealed. In such a situation the available assessment staff would have more time to study the assessed value of each property.

(d) It is felt that insufficient time is given for appeals, particularly to the first Court, after the service of the assessment notice. We consider that two months should be given for an appeal after service of the notice. This would provide a much more realistic time for an applicant to prepare

his case before the hearing and probably would result in fewer appeals and a consequent lessening of the administrative burden on the Authority. Time for appeal could remain at 10 days for the second Court. Should the roll become triennial or quinquennial, we suggest a time for appeal should remain open, subject to the conditions suggested in paragraph (c) above.

4. BASIS OF VALUATION

Definition of Value

1. Section 33 (1) of The Assessment Act currently states that "land shall be assessed at its actual value".

This definition appears to be one of the causes of much confusion in the assessment field and has been subject to a variety of interpretations in the various appeal courts by assessment authorities.

It is suggested by this Association that the value to be sought should be defined more succinctly and related to some objective standard, i.e., current market value.

In view of the fact that it is the existing use of property which generates the need for services the term 'market value' should be qualified and restricted for assessment purposes to 'existing use value'. When the potential value in land is realized by development the more profitable use is reflected in a revised assessment.

A definition of value to replace Section 33 (1) might be drafted on the following lines:

"Subject to the provisions of this Section land shall be assessed at its current market value for existing use purposes." This term could be defined as the likely price it will realize in the market place if limited to the uses to which the property can be put as presently developed and adapted and under prevailing legal restrictions limiting land use, and the sale to be without the benefit of any vendor financing.

2. "Land" will include all assessable property as currently defined under Section 1 (i) of the Assessment Act.

5. ALTERNATE BASES OF ASSESSMENT

It is observed that 'market value' or 'market value for existing use' does not provide an easy basis for mass valuation except in the field wherein a large number of properties of a similar type are sold frequently, e.g., residences and small retail commercial properties.

Large industrial, commercial and residential investment properties provide the greatest test of valuation, the volume of accurate and realistic data available for analysis is small and wide differences of opinion can therefore be expected in numerous cases of this type due to the many variable items which need detailed consideration prior to concluding a realistic estimate of value.

Two other bases of assessment have been investigated by this Association:

(1) Site Valuation as a Base for Taxation

This Association is of the opinion that site valuation as a basis for local taxation is unacceptable due to the difficulty of its application in practice, that its supposed benefits are illusory. In addition it would have a disturbing effect on the real estate market following its inception.

In general the Association subscribes to the comments on this topic outlined in an article by Mr. D. H. Clark*.

(2) Rental Value as a Base for Taxation

The major advantage of gross rental value as a basis for taxation is that it is probably the most easily adaptable to mass valuation techniques.

The major disadvantage is that properties wherein the operating expense to gross income ratio is high would bear an inequitable burden of taxes.

*See pamphlet entitled Site Valuation as a Base for Local Taxation. Reprinted from the Report of the 1961 Conference of the Canadian Tax Federation by the Canadian Federation of Mayors and Municipalities.

The Association is inclined to the view that both gross and net rental value as a basis for taxation is a matter which could bear substantial detailed study to determine the feasibility of its introduction as a substitute for capital value.

6. CONCLUSION

One of the primary factors in determining the most practical basis of taxation is whether the method or methods adopted lend themselves to mass valuation techniques.

It is suggested that further study might be profitable into the question of whether a combination of capital value and rental value could be utilized as a sound base for local taxation. For example, single family residential properties are most realistically valued on the basis of comparison of capital values as rental information is relatively sparse. Commercial, industrial and other investment type properties are invariably most realistically valued on the basis of the income they are capable of sustaining. Rental values and capital values could be equated for assessment purposes by applying equitable percentage factors to be determined and specified for those types of properties which are initially valued at capital value.

Pending further study involving a complete revision of the Assessment Act and possible introduction of a new basis of valuation for local taxation it is this Association's belief that many of the anomalies and inequities in present assessment practices could be corrected within the frame-work of the existing Act if the definition of the value to be sought was clarified, related to current market value and assessment on this basis made mandatory throughout the Province.

Inequities and Anomalies in Current Assessment Practice

(1) The general ratio of assessment to value varies widely from municipality to municipality. It is suggested that the assessment value, if it is to be lower than market value, should be set at a fixed percentage of market value,

prescribed in the Assessment Act and made mandatory throughout the Province.

(2) The ratio of assessment to actual value of different types of property within the same municipality often varies widely. In many municipalities it is evidently accepted practice to assess commercial and industrial properties at a greater percentage of value than single family residential properties.

In Metropolitan Toronto the general level of assessment of single family residential properties is 33% of capital value, whereas the range of assessment on industrial, commercial and investment residential property is considerably higher with many properties assessed at 50% to 70% of market value and even higher.

Commercial and industrial properties are already subject to higher taxes by reason of special industrial and commercial mill rates in many municipalities and the incidence of business tax. If it is thought to be necessary and equitable that commercial and industrial property should bear a higher proportion of the tax burden it is suggested that this be made explicit in the Assessment Act. This could be made operative by dispensing with special commercial and industrial mill rates, striking a general mill rate applicable to all properties, and stipulating that various types of property should be assessed at different fixed percentages of market value.

The current practice is definitely discriminatory, is apparently varied at the whim of the assessor or municipality according to policy and no authority for such variations in the basis of assessment is contained in the current Assessment Act. It is further observed that such discriminatory practices have been consistently condoned by the Courts of Revision, the County Court and the Ontario Municipal Board.

(3) In many municipalities the current assessment values are, in practice, supposedly related to replacement costs and

land values as of 1940-44, and/or valuations based on rental values as of 1944-46.

These standards are obviously almost meaningless as an increasing majority of assessors have no personal knowledge of conditions and levels of value obtaining almost twenty years ago.

This unsatisfactory situation can be easily rectified by making current value a mandatory basis for assessment.

(4) Undue emphasis in the assessment field has been place on replacement cost less depreciation as a method of valuation. This method is probably the most unrealistic technique of valuation for the majority of properties and in particular for old properties and investment, commercial and industrial properties where their value is most realistically related to the net income they are capable of sustaining.

Unfortunately the Courts of Revision, the County Court and the Ontario Municipal Board have traditionally attached great weight to the Replacement Cost Approach in assessment appeals. Even where considerable weight of evidence has been brought forward by appellants that market value is not equated with replacement cost.

It would be extremely desirable to shift the emphasis of valuation on the basis of Replacement Cost to the Comparative and Income Approaches to value.

The new Assessment Manual, currently under preparation, has taken a big step forward in this field. However, this Association is sceptical that the new Manual will achieve the desired result unless some mandatory directions are given to both the Assessors and the Appeal Courts.

(5) In general properties are currently assessed considerably beneath their true 'market' or 'actual value' whereas the Assessment Act specifies that the assessment value should be 'actual value'. Assessors frequently defend inequitable assessments on the grounds that properties under appeal are assessed below market value. Consequently the only basis

for reduction in the assessment is usually by comparison with similar property in the locality and if all properties in a similar class are over assessed the chances of obtaining a reduction are minimal.

The introduction of market value as a test of equitable assessment would provide owners with two reasonable grounds for appeal:-

1. that the assessment is out of line with the ratio of assessment to value, or
2. that the assessment is out of line with assessments on comparable property.

Proof of either of the two grounds for appeal should entitle the appellant to an adjustment of the assessment.

7. MISCELLANEOUS

(1) It is felt that the present rule under S.131 of the Act as to vacancy allowances, should be adjusted so that relief for vacancy is restricted to any vacancies in excess of 10% for the owner's total assessed property unit.
This view is predicated on the fact that for most types of property for which vacancy allowance is usually claimed, the market price paid reflects the likelihood of some vacancy as a normal condition. Amendment as suggested would also reduce administration costs.

(2) In order to clarify the situation which seems to be developing, it is suggested that section 4(17) of the Act be altered to expressly include amongst the exemptions from assessment, trade fixtures, such as store counters and bowling alley fittings.

SECTION II

SUCCESSION DUTY ACT

THE SUCCESSION DUTY ACT R.S.O. 1960

1. DEFINITION OF "VALUE"

Observation:

The Act does not define the basis on which real property is to be valued. Thus both the appraisers for the Succession Duty Office and independent appraisers retained to value the real property forming part of the estate are in doubt as to whether the basis of value should be one of the following:

a) Market Value under terms of typical vendor financing assuming a reasonable period in which to test the market; or

b) Market Value on an all-cash basis, i.e., without the benefit of vendor financing, again assuming a reasonable period in which to find a buyer; or

c) Market Value on an all-cash basis without exposing the property for sale for a reasonable period, i.e., for the usual marketing period for the class of property.

There appear to be no legal precedents to give guidance on the meaning of "value" for Succession Duty purposes, hence in the event of a divergence of opinion between the appraisers employed by the Succession Duty Office and independent appraisers, protracted negotiations may ensue because the parties are interpreting "value" quite differently.

Recommendation:

That the following definition of "value" be added to the Succession Duty Act:

> "The amount which the property 'as is' would realize in terms of cash in the market-place, less the reasonable costs of marketing the property, assuming prices and conditions current on the date of death of the deceased."

2. ADMINISTRATION EXPENSES

Observation:

Section 3(5) of the Act makes provision for solicitor's fees to an amount not exceeding $100.00.

Recommendation:

It is suggested that the scope of Section 3(5) should be broadened to make provision for all expenses necessary to administer the estate and that these expenses be exempt from the payment of duty.

3. INTEREST

Observation:

Under Section 15(4) "the Treasurer may allow interest at a rate not exceeding 3% per annum upon the amount by which any cash security from time to time exceeds the amount of duty that has become payable". On the other hand, under Section 17, interest at 6% per annum is charged on unpaid duty from the date when such duty becomes payable. It appears inequitable that there should be this difference between interest rates in favour of the Treasurer.

Recommendation:

That there should be one interest rate applicable to cash deposited with the Treasurer and unpaid duty.

4. STAFF OF SUCCESSION DUTY OFFICE

Observation:

Because of the heavy volume of assignments which the appraisers of the Succession Duty Office are expected to complete expeditiously, these must of necessity be brief, form appraisals. Thus, in cases where differences of opinion as to value arise, delay may be caused because the appraiser for the Succession Duty Office, while disagreeing with the value placed on a property by the Executor, does not possess sufficient information to form an intelligent estimate of his own. It appears in such cases that estates are being unduly penalized by the payment of interest on unpaid duty resulting from unnecessarily protracted negotiations.

Recommendations:

1) That an appraisal training programme be set up to raise the level of competency of the appraisers employed by the Succession Duty Office. (The general comments on the training of municipal assessors also apply to the appraisal staff of the Succession Duty Office.)

2) That the number of appraisers employed by the Succession Duty Office be increased to permit more comprehensive appraisals to be made, or alternatively executors and administrators be required to furnish a properly documented appraisal report made by a qualified appraiser on the property to the Succession Duty Office and the reasonable cost of such a report be deductible from the duty payable.

SECTION III

MUNICIPAL IMPOSTS BORNE BY LAND DEVELOPERS

MUNICIPAL IMPOSTS BORNE BY LAND DEVELOPERS

1. HISTORY

During the past decade certain municipalities in the Province of Ontario experiencing the pressures of rapid urbanization and redevelopment have imposed capital levies on land developers for the purpose of defraying part of the cost of public works incurred, or likely to be incurred as a direct result of such development.

Previously, such public works tended to be financed through local improvement taxes and normal municipal taxation. It appears that when such levies were initially imposed their nature and quantum was very much a matter of negotiation between the municipality and the developer and the outcome was determined more by the personalities and inclinations of the negotiators than any statutory or other definition. The burden of imposts did not always fall equitably on all developers within the municipality.

Whilst such imposts have now been given statutory recognition it is still felt that the nature and amount of levies is to a large extent a matter of negotiation and official discretion and as such have the characteristics of a bad tax in that the range and amount of the imposts cannot be ascertained definitely without negotiation and are liable to fluctuation with policy changes at the local level.

2. PURPOSE

It is submitted that the purpose of such imposts should be to enable municipalities to finance the orderly urbanization of their areas without incurring a heavy burden of debt which subsequently has to be met from taxation. At the same time an atmosphere of confidence should be created in which land developers who have bought raw land at prices predicated upon certain levels of impost and development cost are not suddenly faced, due to a change in municipal policy or ministerial discretion, with expenditures which may prevent them from bringing their proposals to fruition to the benefit of all concerned.

3. RECOMMENDATION

Therefore it is our view that the nature and extent of cash imposts or other levies and requirements on land under development should be clearly spelled out in the statute authorizing their existence, or in regulations made under the Act and which have been approved by the Legislature. It is more the type of levy and the manner of its computation which should be spelled out rather than specific figures for any item of impost.

4. GENERAL REMARKS

We are in agreement with the principle of imposing capital levies by municipalities upon land developers in order to obtain funds to defray the cost of public works, the need for which usually comes about due to development. In addition it is considered desirable that the developer be required to install what by contemporary standards is an adequate level of services rather than have the municipality burdened subsequently with requests for such services to be installed under local improvement. The environment of a parcel of real estate is frequently just as much a factor affecting its value in the market place as the improvements lying within its lot lines. Thus municipal services and facilities which may have no direct physical connection with the land parcel itself still contribute to its market value. It, therefore, only seems equitable that the person seeking to acquire a piece of real property to enjoy all its benefits should pay the full cost of all the amenities of the area.

If this principle is not adopted then it is possible that certain municipalities rather than finance debt service on extensive public works out of general taxation will discourage all or certain types of otherwise desirable development. The geographic position of a rural community may be such as to make urbanization desirable whereas the financial condition is such as to preclude the raising of substantial sums of money initially for necessary public works. In such cases large contributions in the form of sites for public buildings or cash imposts to defray part of the cost do not appear to be inequitable and in certain cases have been acquiesed to by large developers in predominantly rural townships.

As to the incidence of imposts on land developers, this depends to a large extent upon the state of the real property market. In times of keen demand for improved real estate it is likely that any additional cost of a development can be passed on to the user of the improved property. During periods of average demand for finished space and particularly when developers have become accustomed to a certain level of imposts and servicing costs the price they will pay for raw land for development will tend to reflect the development costs which they will have to incur. The incidence in whole or part of imposts will therefore fall upon the owner of the raw land. Since the raw land owner as such makes no useful contribution to the creation of a proper urban environment and usually makes a substantial capital gain from his land without effort on his part it seems that any impost or tax settling on this individual would be the least disruptive. It follows that any tax imposed which falls directly or indirectly upon the raw land owner should not be so onerous that there is no financial incentive to him to make his land available for development when it is ripe for that purpose. In short the net value of the land to the owner for some other use must be greater than its value for the existing use, for it to become available for development.

During the past decade there has been in most large urban areas within the Province an almost continuous upward trend in raw land prices inspite of the imposition of service and other levies and more exacting servicing requirements. This is particularly so in the Metropolitan Toronto Area and is attributed in part to inflation but mainly to the increasing demand for improved property due to population growth and higher living standards. Much of the effective demand has been created by progressively easier financing being made available for residential construction under the provisions of the National Housing Act: in this connection where services and other facilities are installed by the developer the mortgage lending values under the Act reflect this factor and the greater part of the additional burden of services is discharged by mortgage payments over a 25 year or longer term rather than the usual 10 or 15 year terms applicable

to local improvements.

During the past couple of years there have been proposals in certain larger urban areas in Ontario to impose special taxes for sewers, etc., due to redevelopment and the construction of large residential and commercial structures. It is felt that with such a tax its incidence is likely to be on the owner of the land in that the developer in determining the price he can afford to pay for the land will take into account levies on development. A tax falling on the land owner will again be the least disruptive and appears to be quite equitable in that one of the factors which induces a developer to seek such land is the zoning placed upon it by the municipality which permits high density construction; at the same time the zoning by-law restricts the use of other lands which would in the absence of such zoning be in competition with lands having the benefit of high density zoning and this would tend to depress their values. Here again imposts or other taxes should not be so onerous that the net value of land for redevelopment purposes to the present owner is very little higher than the value of the lands for the existing use otherwise such lands will not be made available for redevelopment.

During the years past building by-laws and the requirements of institutions providing financing for construction have become more exacting as to the amount of space within and about buildings, and as to the quality of the construction. These factors together with wastage of older buildings due to decay, health standards, destruction by fire, redevelopment or public works programmes, etc., have tended to decrease the supply of inferior but low cost accommodation and thereby increased the value of that remaining. Since occupants of such space cannot afford to meet the rent or debt service of better accommodation (in the absence of sufficient subsidized accommodation which meets prevailing standards) they can only cling to their present inferior accommodation and thereby enhance its value. Under such circumstances it is suggested that any developer who is prepared to buy and redevelop slum areas and thereby relieve the municipality of certain financial burdens associated with slum areas, should be

relieved in whole or part from any special taxes for services or otherwise.

In passing we would mention that certain advocates of site value taxation (referred elsewhere in this submission) indicate that one of the benefits of such a method of taxation is that it would bring about redevelopment of slum property in central or other potentially high value land areas. To us this form of taxation appears to be a form of coercion which generally is difficult to implement both politically and administratively, whereas taxation relief in slum areas represents the persuasive approach to this particular problem and should prove to be more acceptable.

APPENDICES

ASSOCIATION OF ONTARIO LAND ECONOMISTS

(Incorporated in Ontario)

FUNCTIONS AND OBJECTS

The profession of land economy is concerned with the administration of the land resources of communities, concerns or individuals with a view to the efficient allocation, use or disposition of such resources.

Members of the Association, who are known as "Ontario Land Economists", practise various aspects of land economy in the Province of Ontario, either in the public domain or private sector and as such provide professional advice and services relating to the economics and use of real property. Among their numbers are those involved with land administration; real property management; land use planning and control; land alienation; development; taxation; valuation; financing and research. The Association provides a common and broadly acknowledged identity of professional status for practitioners in these fields.

The objects of the Association are:

(a) To provide a body of persons competent to express opinions, give advice, undertake administrative services, give expert testimony and arbitral services in all matters involving the "economics and use" of land and buildings thereon.

(b) To establish, preserve, protect and promote the professional status of the members of the Association and to establish and recognize standards consistent therewith.

(c) For the objects aforesaid:

(i) To provide or assist in the provision of, educational courses through Universities, or other educational media and prescribe examinations in connection therewith,

(ii) To establish a library or collection of books or other publications, maps, models, drawings and designs,

(iii) To establish, construct and maintain suitable quarters for the Association and to permit the same to be used gratuitously or on such terms as may from time to time be agreed upon, and

(iv) To hold conferences, meetings and exhibitions for the discussion and exchange of views in the aforesaid matters,

(v) To institute studies, inquiries and programs of research.

Membership of the Association is open to any person practising some aspect of land economy in the Province of Ontario who is of good character and can satisfy the Council of the Association that he has reached the prescribed standards of academic attainment and professional experience.

An applicant for corporate membership must show to the satisfaction of the Council of the Association that he has had five years approved experience of land economy of which the equivalent of one year's experience must have been gained in the Province of

Ontario, and has passed the prescribed examination or holds a qualification accepted in lieu thereof. Such approved experience shall include the expression of opinions professionally as to the "economics and use" of real property for a fee or as a salaried official or employee, but may also include services rendered concurrently in connection with the administration, or management, or valuation, development, alienation, financing or research of real property.

EDUCATIONAL PROPOSALS

EDUCATIONAL SCOPE

University Full Time	A University to be induced to provide an undergraduate course in land economy or with a land economy major so that those persons who seek a university education and wish to practice land economy can obtain the type of education they desire.
University Extension	(a) A similar course as above but taken on a part-time basis. (b) A three year diploma course in land economy taken through a University Extension Department by correspondence and/or lectures. Such diploma to be granted by the University, but failing that by the AOLE.

ADMISSION

Candidates for admission to the diploma course to be equal to Ontario Grade XIII standard. Special consideration should be given to candidates who are over the age of 30 and who have had suitable business experience although they have some lesser academic attainment.

SYLLABUS FOR DIPLOMA COURSE

(1) Land Economics -

1st year - Economics I
2nd year - Economics II
3rd year - Land Economics

(2) Land Law -

1st year - Land Tenures
2nd year - Land Alienation
3rd year - Land Use Control

(3) Land Utilization -

1st year -	Historical	settlement, development, land use planning and control; land disposition - public and private ownership.
2nd year -	Contemporary	"
3rd year -	Improvements	structures; services; landscaping -- their design, construction, cost, life, maintenance, utility and efficiency.

(4) Public Finance relating to Land -

The study of the raising and spending of public money and the incidence of such action on the economics and use of land.

1st year -	Government & Agencies	growth, functions and responsibilities
2nd year -	Taxation	federal, provincial and municipal
3rd year -	Government Spending	fiscal policies, grants and subsidies, lending and underwriting.

(5) Business Organization relating to Land -

1st year -	Corporate Owners	public, institutional, business, etc. -- their structure, functions, financing and administration.
2nd year -	Financing of Land for Alienation and Development	sources, mortgages, syndication, etc.
3rd year -	Business Forecasting	the likely demand for land and space in the future and availability of space.

APPENDIX "B"

Members of an "ad hoc" Committee formed to prepare a Brief for submission to the Ontario Committee on Taxation on behalf of the Association of Ontario Land Economists

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Chairman - J. E. Farr - Secretary Treasurer of the Association

Members:

P. A. Anker

E. J. Griffin

K. W. Hicks

C. A. Hughes

D. K. Mashke

H. A. Noble

F. J. Shankland

E. J. Strachan